

Members

Sen. Connie Lawson  
Chairperson  
Sen. Rose Ann Antich-Carr  
Rep. William Crawford  
Rep. Mary Kay Budak  
Ellen Clippinger  
Cheryl Selig  
Sven Schumacher  
Kimberly Armstrong  
Judy Nivens  
Sharon Pierce  
Reverend C.L. Day  
Carol Johnson  
Nathan Samuel  
Natalie Wolf



## BOARD FOR THE COORDINATION OF CHILD CARE REGULATION

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Authority: IC 12-17.2-3-1

### MEETING MINUTES<sup>1</sup>

**Meeting Date:** August 12, 2004  
**Meeting Time:** 10:30 A.M.  
**Meeting Place:** State House, 200 W. Washington  
St., Room 404  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 1

**Members Present:** Sen. Connie Lawson, Chairperson; Sen. Rose Ann Antich-Carr; Rep. William Crawford; Rep. Mary Kay Budak; Ellen Clippinger; Cheryl Selig; Kimberly Armstrong; Sharon Pierce; Reverend C.L. Day; Carol Johnson; Nathan Samuel.

**Members Absent:** Sven Schumacher; Judy Nivens; Natalie Wolf.

#### Call to Order

Chairperson Lawson called the meeting to order at 10:40 a.m. She announced the next to meeting dates for the Board: September 23, 2004 and October 21, 2004. The members of the Board introduced themselves. Chairwoman Lawson read the study topics assigned to the Board under IC 12-17.2-3.1-11:

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

- (1) The need for changes in the scope and degree of child care regulation established by statute or rule.
- (2) The need to reorganize governmental units involved in the regulation of child care facilities to promote effective and efficient child care regulation, including the form that a needed reorganization should take.
- (3) A method for the completion of a statewide needs assessment to determine the availability and projected need for safe and affordable child care.
- (4) The need for programs to meet the needs of Indiana residents if the board determines that safe and affordable child care facilities are not available and easily accessible.
- (5) The effect of federal legislation on child care and the need for statutory changes to qualify for federal child care grants and to comply with federal child care requirements.
- (6) The immunization rates at licensed child care centers to determine if children at the centers have received age appropriate immunizations.

Chairperson Lawson recognized Mr. Stephen Demougin as a new member of the Board representing the Division of Family and Children. She then introduced Lanier Degrella, Deputy Director, Bureau of Child Development to speak on the status of the Child Care Home Licensing Proposed Rules.

#### Child Care Home Licensing Proposed Rules

Ms. Degrella reported that in June FSSA's Bureau of Child Development held five public hearings throughout the state on the new proposed rules for child care home licenses. Most of the changes in the rules are based on legislation passed in the 2003 session. To the extent the changes were not required by statute, they were inspired by the desire to follow best practices in the child care field, to follow the state Fire Marshal recommendations, and to assure that our children are in safe and healthy environments. She stated that the Bureau is currently reviewing the transcripts from the public hearings and the comments received on the proposed rules and will take them into consideration as they prepare the final rules. She reported that there are approximately 3,179 licensed home child care providers in Indiana. Those homes have the capacity to serve slightly more than 38,000 children. In making the decisions on the final rules, the bureau will balance the needs of the providers with the needs of the families who rely on the dedicated care givers to provide a safe and nurturing environment for their children while they are at work.

Chairperson Lawson then introduced Monica Boyer, Licensed Child Care Home Provider. Ms. Boyer distributed a handout (Exhibit A) that included letters from daycare providers and parents from around the state. Ms. Boyer testified that having information about providers on the internet, such as the name, address, phone number, age of children served and a map with directions to a provider's home, creates a dangerous situation in which predators can easily use the information to do criminal acts. She also noted that the website is used as punishment for providers because it lists on the site for three years any complaints, rule violations and enforcement measures. She spoke of the impossibility of abiding by some of the rules for example, 470 IAC 3-1.1-20.1 requires that children be within sight and sound of a caregiver at all times. She stated that licensed home daycares will experience a dramatic increase in fees in order for providers to abide by the new rules. She also predicted that due to the new rules there would be an increase in the number of illegal providers, an increase in the number of registered daycare ministries (who are less regulated), and a decrease in the availability of infant care.

Donna Mosco, Licensed Child Care Home Provider, distributed a handout (Exhibit B) and spoke on her belief that the committee that drafted the proposed new rules was not unbiased since it was made up of about 45 people and only 5 of those individuals were

licensed providers. She addressed the issue of non-licensed providers and the lack of regulation and accountability. She testified that she was inspected by the county Office of Family and Children on April 12, 2004. She complied with all the existing rules and as of August 12, 2004, she has yet to receive a copy of her new license. She also addressed the issue of capacity and time recording and the effect on parents who pay with Child Care Development Fund (CCDF) vouchers. She stated that she provides care for children of parents who work nontraditional schedules (i.e. second and third shift). The changes made to how providers record the time of service do not accommodate such time intervals that occur for the care of the children she services. The system is set up to accommodate a 6 a.m. to 6 p.m. shift and 6 p.m. to 6 a.m. shift. If the family cannot fit into either schedule then the child must be counted on both shifts. This may cause her to go above her license limit since only 12 children may appear on a schedule at one time according to the CCDF voucher rules.

Rep. Budak offered a memorandum from Rep. Wolkins (Exhibit C) to Chairwoman Lawson to distribute to the Board for review. The memorandum included his concerns with the proposed changes to home child care rules.

Mark Young, Decatur County Child Care Action Team, addressed the Board on problems in the rural communities of Indiana that are devastating to childcare. He informed the Board of the shortage of providers in rural areas and how the new regulations are driving away the few that currently exist. He asserted that parents that choose home child care are looking for a home environment and not a center. The new rules will cause homes to resemble centers or school-type environments which is contrary to what these parents are seeking.

Kathryn Azhar, Infant Day Care, Inc., testified that the Department of Family and Children (DFC) does not recognize the uniqueness of home child care in the new proposed rules. She asked the legislature to consider either grandfathering current licenses or reinstating previous license holders who met the rule requirements at the time of their license possession.

In response to questions by Chairwoman Lawson, Rep. Budak, Kimberly Armstrong, Sen. Antich-Carr, Vice-Chairman Crawford, Nathan Samuel and Rev. Day, Ms. Degrella and Ms. Biesecker, Family and Social Services Administration, informed the Board that the projected date for adoption of the proposed rules is January of 2005. The Board was advised that some of the changes to the rules are in response to legislation passed in the 2003 Session and others are based on safety issues. The Board was also advised that it does not have to give approval to the proposed rules before their adoption. Ms. Degrella offered to look into some flexibility with the recording of time with regards to CCDF voucher providers. She also advised the Board that there are CCDF dollars available to center providers for maintenance and repair of playground equipment and each center was distributed information concerning the availability of funds.

#### Report on the Status of Child Care in Indiana

Lanier Degrella reported that as of July 31, 2004, there are 630 licensed centers, 3179 licensed homes, and 644 registered ministries. The number of other legally licensed exempt providers is unknown as they are not required to register with the State. As of August 6, 2004, there are 5,619 eligible CCDF providers. As of June 30, 2004, active CCDF provers include 477 licensed centers, 406 registered ministries, 1,718 licensed homes, and 1,315 exempt homes. CCDF provider reimbursement is based on the market rates in each county (determined every two years with a market rate survey). There are

different rates for different age groups, and rates are different for the different child care settings. Licensed centers, have a higher maximum reimbursement rate than registered ministries. Accreditation (a voluntary process requiring providers to meet higher standards) earns providers higher rates. In Marion County, the full-time weekly rates for 2003-2004 for 3-4 year olds are as follows:

Licensed Homes	\$100.00	
Exempt Homes	\$ 79.00	
Licensed Centers	\$141.00	
Exempt Facilities (includes ministries)		\$100.00

The highest percentage of children that receive CCDF vouchers are located in licensed settings and the majority of providers that serve CCDF children are licensed homes.

#### Licensed Center Closings

<u>Statewide Center Closures</u>	<u>Marion County Center Closures</u>
51 (from July, 2003 to July 2004)	7 (7 centers opened in the same time frame)
With no CCDF children enrolled-- 32	With no CCDF children enrolled-- 4
With CCDF children who needed to find other placement-- 166	With CCDF children who needed to find other placement-- 64

(32 of the children statewide were located in a center that converted to a ministry so they experienced no physical relocation.)

Marion County CCDF children from closed facilities were transitioned to the following providers:

- 67.2% Ministries
- 15.6 % Accredited Centers
- 12.5% Terminated because family was not longer eligible
- 1.6% Licensed Center
- 1.6% Licensed Home
- 1.6% School Age Site (Programs for school-age children only are licensed exempt.)

#### Child Care and Development Fund

Ms. Degrella reported that there have been no changes to the CCDF eligibility criteria but there has been a budget cut that has increased the number of families who are eligible to receive CCDF vouchers but who FSSA is unable to serve. She explained the budget reduction or "step-down" process which was also outlined in the handout (Exhibit E) she distributed to the Board. She stated that the CCDF direct services budget was reduced from \$148.5 million in 2004 to \$141.3 million in 2005. The reduction is due to decreased TANF transfer funding and decreased carry-forward funding from previous years. As a result, the Bureau reduced the number of available open CCDF slots by 79 each week since May, 2004. As of August 12, 2004, the step down process is complete. TANF/IMPACT families have immediate access to CCDF vouchers for approved job

search, work activities and employment training even when there are no slots open in their county. The number of children receiving vouchers has dropped from 33,096 to approximately 32,334 since the beginning of the budget step down process to August 11, 2004. The CCDF waiting list numbers continue to grow. As of August 11, 2004, there were 12,300 children on the waiting list. The charts on pages 3 and 4 show the trend toward higher numbers of those waiting for a slot.

#### Centralized Reimbursement Office (CCDF Program)

Ms. Degrella reported that the CCDF program implemented a Centralized Reimbursement Office (CRO) which uses electronic swipe card technology to track time and attendance of CCDF eligible children.. Child Care Providers are reimbursed through electronic deposit every two weeks. Madison, Delaware and Marion counties were chosen as pilot counties and the roll-out started in October 2003. As of mid-July, 2004, the program has been rolled out statewide. She stated that although there have been some challenges in implementation however, the benefits of the swipe card system have included improved efficiency, prompter payment to providers, better accountability and fraud control.

The meeting was adjourned at 12:52 p.m.